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## LEARNING AND GROWING WITH PEERS: THE CASE OF ENTREPRENEURS' INDUSTRY PEER NETWORKS (INTERACTIVE PAPER)

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≈ INTERACTIVE PAPER ≈

## LEARNING AND GROWING WITH PEERS: THE CASE OF ENTREPRENEURS' INDUSTRY PEER NETWORKS

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### Principal Topic

Industry peer networks (IPNs) have been hailed as one of the promising ways for owners of small to medium sized companies to stay abreast of industry trends and develop comradeship at otherwise geographically isolated locations. IPNs are a unique form of “parallel peers” in which the members of the network belong to a sub-segment in a given industry that draws on similar inputs to provide similar goods or services targeted to different sets of customers. These non-competing members gather regularly in small groups (typically 20 or fewer), in an atmosphere of significant trust, to share knowledge, exchange information about industry trends beyond their core markets, conduct peer benchmarking, and discuss issues related to company performance.

Our twin objectives in this research are to show IPNs facilitate business learning among the entrepreneurs and to shed light on how participating in IPN activities positively influence business performance, in terms of implementation of marketing management and leadership practices.

### Method

The research context is a “technology industry reseller” IPN whose member companies are located in the United States, Canada, the United Kingdom, and Australia. There were 22 peer groups in the IPN. Apart from meeting face-to-face quarterly, the entrepreneurs in the peer groups also communicate with each other extensively via electronic means. A longitudinal survey was developed to track the social interactions between the meetings and the level of learning of the members. In addition, the operation/financial data are also collected as well.

### Results and Implications

IPNs are found to be an important source of new knowledge for the entrepreneurs. The findings suggest that the more socially embedded the IPN members in their respective peer groups (e.g. organizing IPN-related activities, discussing and advising each other about business issues), the higher the perceived level of learning in the marketing and management areas. We also test the implications of perceived level of learning using the width of product portfolio and the implementation of transformational leadership practices. The findings suggest that the implementation of transformational leadership practices is partially mediated by the perceived level of management learning. The width of product portfolio, however, is not mediated by the perceived level of marketing learning.

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